

**NEW JERSEY STATE BOARD OF ACCOUNTANCY
PUBLIC SESSION MINUTES
JUNE 19, 2014
HUDSON ROOM - 6TH FLOOR**

I Call to Order and Roll Call - 9:37 A.M.

A meeting of the New Jersey State Board of Accountancy was convened in accordance with the provisions of the Open Public Meetings Act. Pursuant to those provisions, the proper notifications were made to the Office of the Secretary of State, the Camden Courier-Post, the Trenton Times, the Asbury Park Press, the Record, and the Star-Ledger. Board President, John Dailey called the meeting to order at 9:37 a.m. The following roll call was taken:

Richard C. Barlotta, PA	Present
Jorge A. Caballero, CPA	Excused
John F. Dailey, Jr., CPA	Present
Sara L. DeSmith, CPA	Present
Daniel J. Geltrude, CPA	Present
Dennis C. Meyerson, PA	Present
David J. Milkosky, CPA	Present
Harold Model, CPA	Present
Ainsley A. Reynolds, CPA	Present
Michael H. Runge, CPA	Present

Also present at the meeting were Khaled Madin, Acting Executive Director; Tobey Palan, Deputy Attorney General, Melba Rodriguez, Secretarial Assistant; Marie Lisa, Staff; Brad Muniz, CPA, President, NJSCPA; Jeff Kaszerman, Government Relations, NJSCPA; David Plaskow, Editor, NJSCPA and Tom Hall, Intern.

III Minutes of the Meeting of May 15, 2014

On a motion made by Richard Barlotta, seconded by Dennis Myerson, the Board voted to approve the May 15, 2014 minutes with corrections. The vote of the Board was eight voting in favor with Ainsley Reynolds abstaining.

III President's Remarks

Board President Dailey informed the Board that he attended the recent NASBA Northeastern Regional meeting. President Dailey informed the Board that it would be aware that CPE is an ongoing issue and as Chair of the CPA Department of NASBA have been meeting to discuss. NASBA provided a one hour session in Louisville. There will be all kinds of changes coming up soon. President Dailey reported to the Board that Ohio has just approved nano learning. Nano learning is a 10 minutes class provided by Deloitte on how to calculate Delaware franchise taxes. Two different methods were provided. This will be another method of study that the Board may consider for UAA. There may be possibly be a cap on how many learning hours may be obtained.

Blended learning which is provided by Ernst and Young was also discussed. Blended learning is taught in sections. The first day you may receive three hours of materials that may be reviewed at home or hotel room and the following day you may be provided with eight hours of materials to review. This may be considered self learning.

Board President Dailey informed the Board that the Committee should get together to closely watch these CPE courses.

Board President Dailey reported to the Board that in 2017 drastic changes will be made to the CPA exam. He reported to the Board that he was invited to a round table brain storming session to discuss the exam. Topic of discussion was what do you expect from your newly licensed staff people. This course has been discussed all over the country. People are really alarmed with passing rate.

Board President Dailey also mentioned that more Board member participation is needed at NASBA and that the Board should really make an effort to participate. You can obtain much information that can be reported back to the Board.

Board President Dailey informed the Board that Dan Dustin from NASBA would like to visit NJ and attend a Public Session meeting in September.

IV Acting Executive Director's Remarks

Acting Executive Director Madin provide a letter from former Executive Director William Mandeville, wherein he thanks everyone that worked on his retirement luncheon and for their attendance.

V UNIFORM PENALTY LETTER IN LIEU OF FORMAL COMPLAINT FOR CPE AUDIT - RENEWAL PERIOD 2009-2011

A REQUESTED VOLUNTARY SURRENDER

1 Joseph L. Abbott

On a motion made by Sara DeSmith, seconded by Ainsley Reynolds, the Board voted to approve Mr. Abbott's request for voluntary surrender. The vote of the Board was unanimous.

B PAID PENALTY AND WILL MAKE UP CREDITS

1 Christopher Allen - \$4000.00 - payment plan

On a motion made by Ainsley Reynolds, seconded by David Milkosky, the Board voted to approve the paid penalty and making up of the CPE credits. The vote of the Board was unanimous.

C PAID PENALTY REQUEST INACTIVE-PAID STATUS

1 Thomas J. Aspinwall - \$5,000.00 - paid

On a motion made by Ainsley Reynolds, seconded by Richard Barlotta, the Board voted to approve the paid penalty and request to place CPA license in inactive-paid status. The vote of the Board was unanimous.

D REQUESTED BOARD TO CONSIDER EXPLANATION

1 Frank J. Reardon

On a motion made by Daniel Geltrude, seconded by David Milkosky, the Board voted to uphold the original UPL. The vote of the Board was unanimous.

2 Alvin Rasmus, Jr.

On a motion made by Ainsley Reynolds, seconded by David Milkosky, the Board voted to uphold the original UPL issued and inform Mr. Rasmus that he should contact his previous employer to obtain his CPE records. The vote of the Board was unanimous.

VI Legislative Matter

A Change in Extension Process

This matter was accepted as informational.

Board President Dailey reminded the Board and the public members that the July 24, 2014 Board meeting will be held on July 24, 2014. Board President Dailey also informed the Board members that between the June Board meeting and the July Board meeting, all Committees should get together and meet whether it is in person or via and report back to the Board on what the Committees are working on currently.

VII Committee Reports

A CPA Examination Committee

Harold Model had no report for the Board but did inform the Board that he would provide examination statistics at the July Board meeting.

B Ethics Committee

No report was provided.

C CPE Committee

Daniel Geltrude had no report for the Board but did remind the Committee member that there are CPE requests that must be reviewed at the end of the Board meeting.

D RMA Committee

John Dailey had no report for the Board.

E Peer Review Oversight Committee

Sara DeSmith reported to the Board that a meeting was held on June 10, 2014. July 24, 2014 there will be an additional telephonic meeting. Ms. DeSmith informed the Board that Andrew DuBoff provided a briefing on his participation at a NJ Society meeting in March. Ms. DeSmith reported to the Board that the Committee is very satisfied with the NJ Society's peer review program.

On a motion made by Sara DeSmith, seconded by Ainsley Reynolds, the Board voted to approve the NJ Society as sponsors for the next year. The vote of the Board was unanimous.

Ms. DeSmith also informed the Board that the AICPA will be changing their Peer Review process. The Department of Labor will perform firm audits. This matter will be discussed at a later time.

F Education Committee

Ainsley Reynolds had no report.

G Reciprocity Committee

Michael Runge informed the Board that the NJ Society send the Board office a letter with recommendations for consideration. This letter was forwarded to Regulatory Analyst Glasgow for review and she will report back to the Board.

DAG Palan informed the Board this matter is currently in the hands of the regulations division and that Regulatory Analyst is not currently reviewing regulations but reviewing global regulations for approximately 43 Boards.

H Nominating Committee

Dennis Meyerson had no report.

I Statute/Rules/Regulations Committee

Richard Barlotta had no report.

J Monitoring Profession Committee

David Milkosky informed the Board information on the new mobility legislation. Board President Dailey felt that the Board should wait and see happens with the legislation at this point.

VIII Public Comments

Brad Muniz, President of the New Jersey Society of CPAs and a partner with Sobel & Co., LLC. provided the Society's comments on behalf of Ralph Albert Thomas, CEO and Executive Director since he was attending the National Association of Black Accounts Annual meeting in Washington, DC.

On behalf of the Society and its leadership team, I want to congratulate Dave Milkosky as a new member of the Board of Accountancy. We look forward to working with Dave.

I would like to update members of the Board on the following NJSCPA activities:

- October 1st, 2014- NJSCPA Annual Career Night at the Pines Manor, Edison, 3-7pm
- December 5th- NJSCPA Board of Trustees Meeting and Annual Leadership Holiday Luncheon. Members of the Board and staff are all invited to the luncheon.
- The Society's 2014 Accounting, Business & Technology Show was a tremendous success as more than 550 individuals were in attendance each day of the Show.
- The Society is supporting A2921, a bill which proposes changes to the composition of the Board of Accountancy. In short, the bill gives the Governor the flexibility to appoint CPAs to the 2 seats currently reserved for only PAs.. This is necessary as the number of PAs continues to dwindle. While there used to be 8000 PAs in the 1970s, there are now about 400 and the number will continue to decline.

Additionally, A 2921 requires at least one RMA/and PSA to be on the Board. It also changes the A&A CPE requirement for RMAs to be the same as the A&A requirement for CPAs. The bill was unanimously passed in the Assembly, and now moves to the Senate for consideration.

With respect to reciprocity, we learned from a licensee that individuals pursuing a reciprocal license before the effective date of August 1, 2014 were told by Board staff they did not have to submit copies of their college transcripts and verification of prior employment. We wanted to confirm the above representation.

On a national level:

- The Society continues to support Mobile Workforce legislation, S1645.
- Opposes proposals being considered in Congress to eliminate the cash basis of accounting for tax reporting purposes for pass through entities.

Additional Comments:

The Society's 9th Annual Convention & Expo was held a couple of weeks ago in Atlantic City. 1100 people attended. This year's Convention theme was "*The New Normal: Surviving and Thriving*," which focused on the impact caused by constant changes in technology, demographics, regulations and cyber security. I encourage members of the Board to visit the Society's website and review some of the video clips from the convention.

On a motion made by Harold Mode, seconded by Ainsley Reynolds, the Board voted to adjourn the Public Session meeting at 10:45 A.M. to reconvene in Executive Session to discuss the results of the Investigative Inquiry conducted, five Old Business matters, one New Business matter, one Request for Reinstatement, AICPA matters, UPLs in Lieu of Formal Complaint for CPE Audit - Renewal Period 2009-2011. The vote of the Board was unanimous.

Respectfully submitted,

Khaled Madin
Acting Executive Director